

**CALIFORNIA ENERGY COMMISSION**

1516 Ninth Street  
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**WEBSITES**

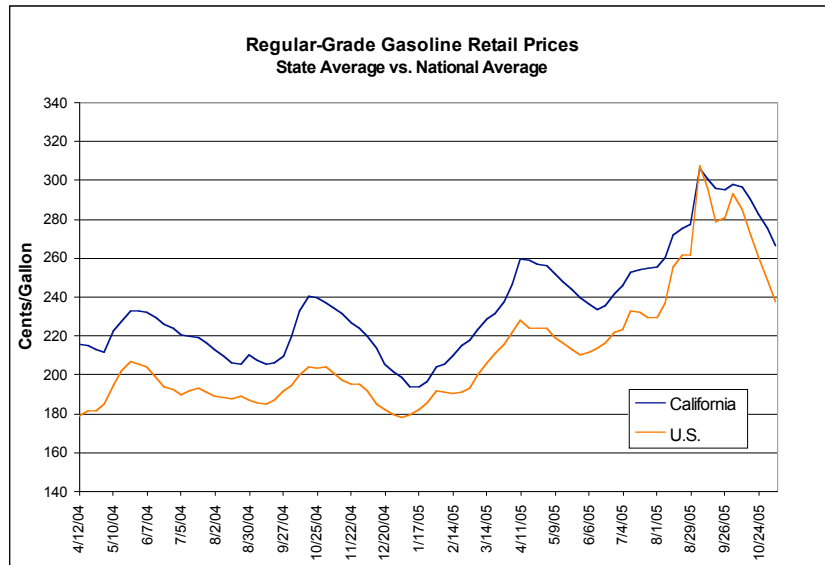
Main website: [www.energy.ca.gov](http://www.energy.ca.gov)

Children's website: [www.energyquest.ca.gov](http://www.energyquest.ca.gov)

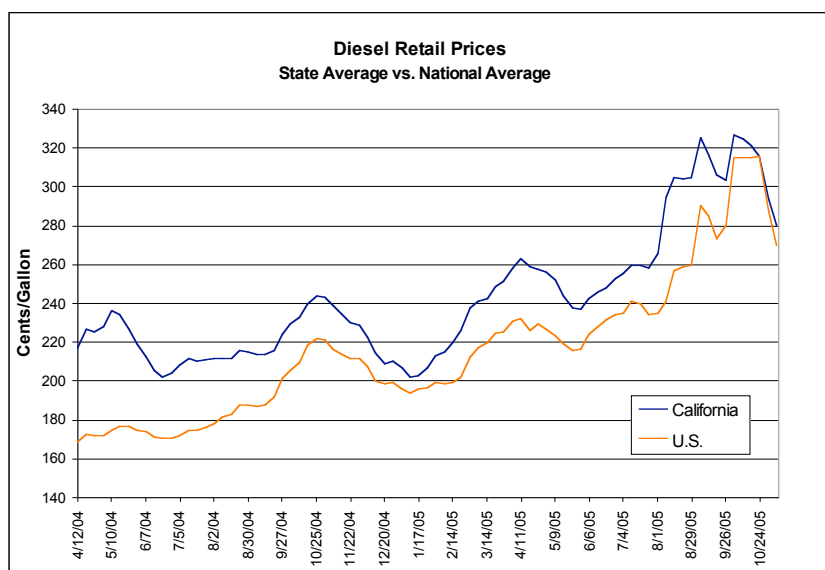
Consumer Information: [www.ConsumerEnergyCenter.org](http://www.ConsumerEnergyCenter.org)

**Petroleum Watch****November 13, 2005*****Retail Gasoline and Diesel Prices***

- The average statewide retail price for regular gasoline declined for the fifth straight week, falling to \$2.66 per gallon as of November 7, down almost 9 cents from the previous week and almost 40 cents below the September 5 record high. At the same time, the difference between U.S. and California retail prices also continued to grow, increasing to 28.3 cents per gallon from 26.7 cents last week.<sup>1</sup>



- Average California retail diesel prices continued to plunge, dropping another 14 cents from the previous week to slightly under \$2.80 per gallon as of November 7. The difference between average California and U.S. retail diesel prices grew to almost 10 cents per gallon as of November 7, compared to 6 cents last week.



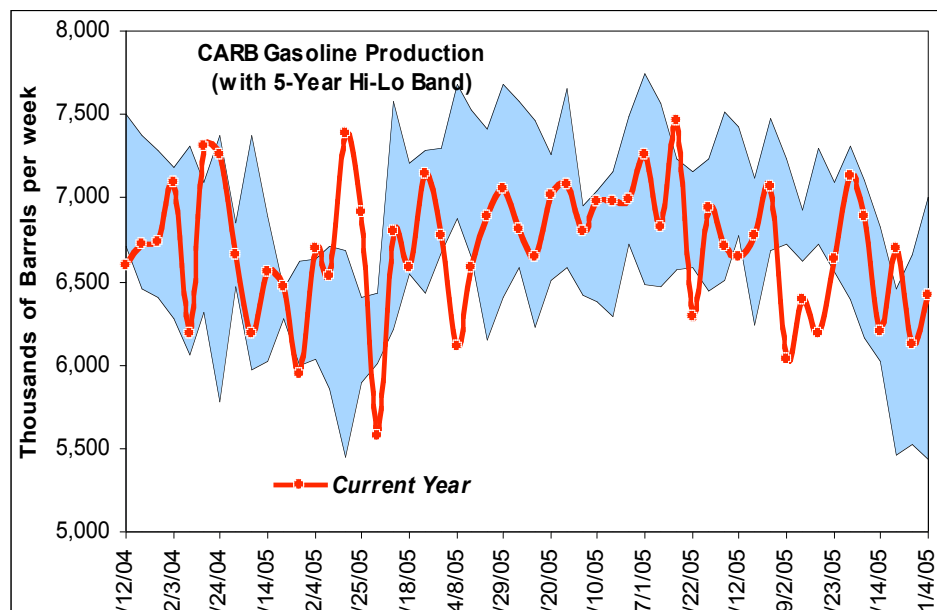
### ***Wholesale Gasoline and Diesel Prices***

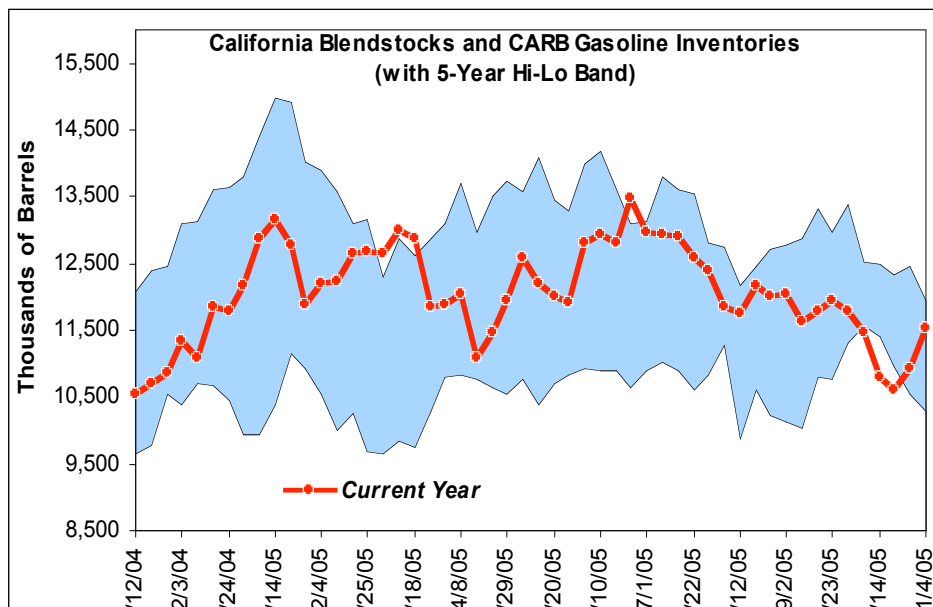
- California wholesale spot gasoline prices have continued to fall erratically, but steadily downward. By November 8, prices in Los Angeles had fallen 10 cents in a week to \$1.62 per gallon, 78 cents below the post-Hurricane Rita high of \$2.40. As of November 8, California spot prices narrowed to less than 8 cents more expensive than prices in the Gulf Coast, and about 12 cents above New York Harbor.
- California wholesale diesel prices also continued to decline, falling 5 cents during the last week to \$1.80 per gallon as of November 8. This constitutes a 58 cent decline from the post-Hurricane Rita high on October 4 of \$2.38. Differences between California wholesale diesel prices and prices in the other regions are remaining relatively steady at recent narrow levels, averaging about 4 cents above the Gulf Coast and 3 cents above New York Harbor over the last 2 weeks. The difference between California gasoline and diesel spot prices grew slightly over the last week, with diesel about 18 cents higher than gasoline on November 8, compared to almost 13 cents higher on November 1.
- The EIA weekly assessment for November 4 shows both U.S. gasoline and distillate demand growing from the previous week, up 2.2 and 3.4 percent, respectively. The latest four-week average demand for gasoline is 9.058 million barrels per day, nearly unchanged from last year. The four-week average for U.S. distillate demand is 4.116 million barrels per day, about 2 percent below last year.

### ***Refinery Production and Inventories***

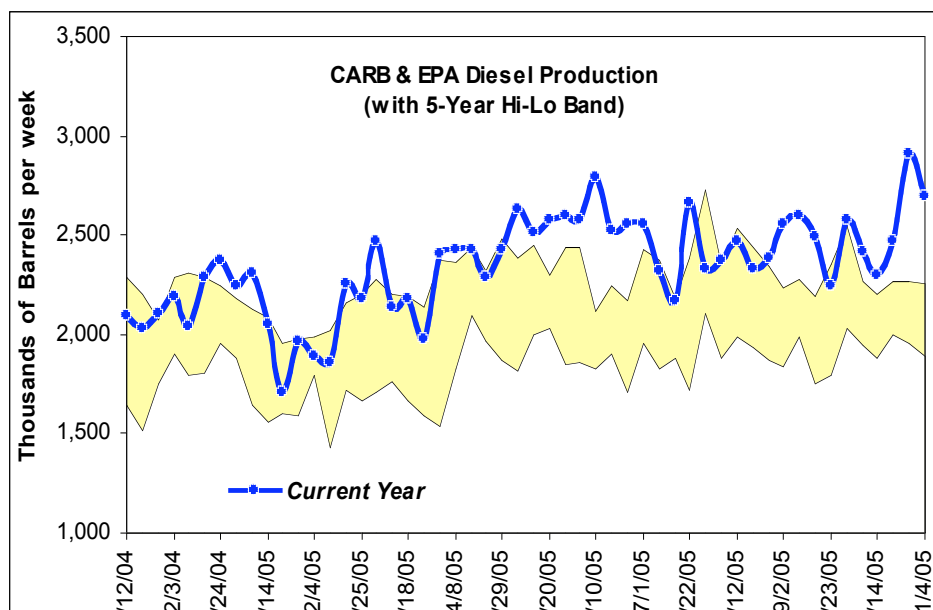
- Of the 16 Gulf Coast refineries shut down at the approach of Hurricane Rita, only 1 remained closed on November 9. Added to the 2 refineries still shut down from Hurricane Katrina, total refining capacity off-line as of November 9 was about 804,000 barrels per day, or nearly 5 percent of total U.S. capacity.

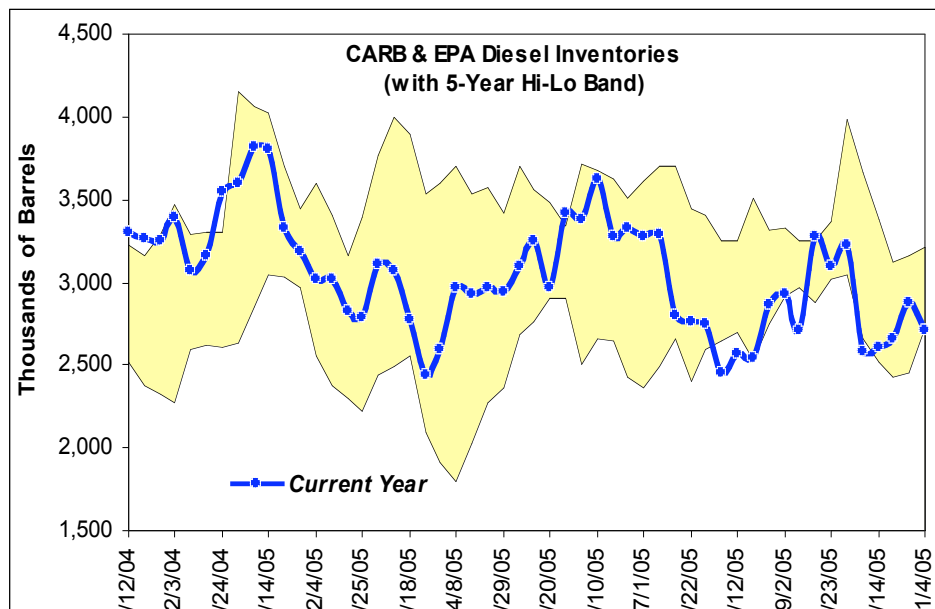
- Reformulated gasoline production in California grew almost 5 percent more than the previous week to 6.4 million barrels during the week of November 4. These levels are also nearly 7 percent above last year, with production remaining near the middle of the five-year range.<sup>2</sup>
- The increase in reformulated gasoline production in the state during the week of November 4 pushed reformulated gasoline inventories up 8 percent from the previous week. Combined inventories of reformulated gasoline and gasoline blendstocks moved toward the high end of the five-year range as combined stocks rose more than 5 percent from the previous week. Returning U.S. domestic production and continuing high gasoline imports into the East Coast also sharply increased U.S. gasoline inventories, with stocks up more than 4.2 million barrels from the previous week to 201.1 million barrels as of November 4.





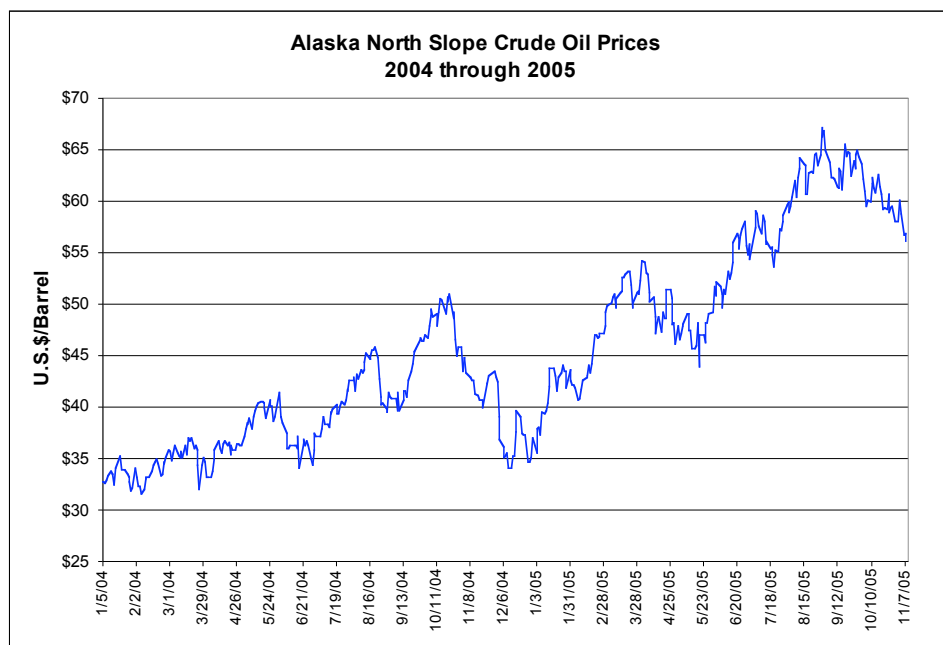
- California production of low sulfur diesel during the week of November 4, including both California diesel and U.S. EPA diesel, declined 7 percent from the record-high levels of the previous week but is still 20 percent above a year ago. The production fall lowered combined low-sulfur diesel inventories by 6 percent from the previous week, and stocks are almost 16 percent below last year. During this period, U.S. distillate inventories were again nearly unchanged, down about 84,000 barrels from the previous week to 120.8 million barrels as of November 4.





## Crude Oil Prices and Inventories

- Prices for Alaska North Slope (ANS) crude oil, an important refinery feedstock for California, have settled lower over the last week with continuing U.S. crude oil inventory builds. As of November 9, ANS crude oil on the West Coast was priced at \$56.00 per barrel.<sup>3</sup>



- For the fourth straight week, U.S. commercial crude oil inventories rose substantially, growing to 323.6 million barrels as of November 4. This is 4.4 million barrels more than the previous week, 32 million more than last year, and 30 million more than the five-year average. Crude oil stocks have been growing primarily due to low refinery crude oil utilization rates in the Gulf Coast region following the hurricanes, with imports and Strategic Petroleum Reserve releases largely offsetting crude oil production losses.
- Although crude oil production in the Gulf Coast offshore is steadily returning to more normal levels, a substantial amount remains off-line. According to the Minerals Management Service, as of November 10 about 49 percent of U.S. Gulf of Mexico offshore oil production, or about 736,000 barrels per day, remains shut down from Hurricanes Katrina, Rita, and Wilma. Nearly 83 million barrels of crude oil production have cumulatively been lost to these hurricanes since late August, more than 15 percent of annual Gulf of Mexico offshore production.

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<sup>1</sup> Spot wholesale and retail gasoline and diesel prices are from the Energy Information Administration (EIA) of the U.S. Department of Energy.

<sup>2</sup> California refinery production and inventory information are from the Petroleum Industry Information Reporting Act (PIIRA) database maintained by the California Energy Commission.

<sup>3</sup> ANS crude oil prices are from the Wall Street Journal. U.S. crude oil and product inventory estimates are from the Energy Information Administration of the U.S. Department of Energy.